

**1111 UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et. al.*,

Debtor

PROMESA

Title III

No. 17-03283 -LTS

(Jointly Administered)

MOTION FOR THE PAYMENT OF ADMINISTRATIVE RENT

TO THE HONORABLE COURT:

COMES NOW, Luis A. Rivera Siaca (“LARS”), through its undersigned counsel, and respectfully states and requests:

1. On May 3, 2017, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) filed a Title III petition under the Puerto Rico Oversight Management and Economic Stability Act (“PROMESA”) on behalf of the Commonwealth of Puerto Rico (the “Commonwealth”).

2. As set forth in Section 2161(a) of PROMESA, the provisions of 11 U.S.C. §365, 503 and 507 (a)(2) are applicable to the Commonwealth’s Title III proceedings.

3. On May 21, 2021, LARS, as lessor, entered into non-residential unexpired lease contract number 081-2021-0180 with the Department of Education of the Commonwealth of Puerto Rico (the “Department of Education”), as lessee, consisting of a one level, 28,431 square feet, building with a parking area for 135 vehicles, where the offices of the Department of Education are located at the corner of Teniente Cesar González and Calle Juan Calaf Number 33, Urbanización Industrial Tres Monjitas, Hato Rey, San Juan, Puerto Rico (the “Lease Agreement”) (**Exhibit A**).

4. The Lease Agreement with the Department of Education expires on June 30, 2026, was recorded with the office of the Comptroller of Puerto Rico on May 28, 2021 and is in full force and effect.

5. 11 U.S.C. §365(d)(3)(A) states:

The trustee shall timely perform all the obligations of the debtor, except those specified in section 365(b)(2), arising from and after the order for relief under any unexpired lease of nonresidential real property, until such lease is assumed or rejected, notwithstanding section 503(b)(1) of this title. The court may extend, for cause, the time for performance of any such obligation that arises within 60 days after the date of the order for relief, but the time for performance shall not be extended beyond such 60-day period, except as provided in subparagraph (B). This subsection shall not be deemed to affect the trustee's obligations under the provisions of subsection (b) or (f) of this section. Acceptance of any such performance does not constitute waiver or relinquishment of the lessor's rights under such lease or under this title.¹

6. Moreover, 11 U.S.C. §503 (a) and (b) state:

(a)An entity may timely file a request for payment of an administrative expense, or may tardily file such request if permitted by the court for cause.

(b)After notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including-

(1)(A) the actual, necessary costs and expenses of preserving the estate, including-.

7. As of November 30, 2022, the Department of Education owes LARS \$373,849.18 for rent under the Lease Agreement, as set forth in **Exhibit B** hereto, which pursuant to 11 U.S.C. §365(d)(3)(A) must be paid by the Department of Education to LARS forthwith, the Department of Education having failed to do so, notwithstanding LARS' demands. The rent due by the Department of Education continues to accrue at the rate of \$47,005.92 per month until January 15, 2023, and thereafter at the rate of \$48,380.00 per month until January 15, 2024.

8. The amount due LARS constitutes actual, necessary costs and expenses of preserving the estate in the captioned case.

¹ Made applicable to the Commonwealth Title III Case by Section 301 of PROMESA, 48 U.S.C. §2161(a)

WHEREFORE, it is respectfully requested that an order be entered directing the Department of Education to pay LARS the rent due under the Lease Agreement therewith, in the form of the order attached hereto.

CERTIFICATE OF SERVICE: I hereby certify that on this same date I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all ECF participants.

San Juan, Puerto Rico this 22nd day of December 2022

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